

AMCHAM NEWS

American Chamber of Commerce in New Zealand

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Volume 10 Issue 10

October 2011

Passage of FTAs through US Congress shows US commitment to trade

On Friday, October 21, President Barack Obama signed the trade agreements with Korea, Colombia and Panama, as well as Trade Adjustment Assistance, into law following congressional approval.

Ratification of these three FTA's had been held up for 4-5 years while Congress and the Administration wrangled over substance, so their passage reaffirms the US's commitment to trade liberalization. These bills were passed under Trade Promotion Authority which has expired.

The passing of these agreements means that the next cab off the rank is Trans Pacific Partnership. Steady progress has been made with these negotiations however passage of any agreement without TPA will prove more difficult.

New Zealand's Trade Minister Tim Groser welcomed the passage of the agreements. "The passage of these agreements sends a strong signal to the world about the commitment of the United States to trade liberalisation and regional integration. It reaffirms the important role the United States can play as an Asia-Pacific power, especially in ongoing efforts to draw the economies of the Asia-Pacific closer together."

"This is exactly the shot in the arm that our own trade negotiations with the United States and our other partners in the TPP, or Trans-Pacific Partnership Negotiations, need. We have a few more weeks before the APEC Meeting in Honolulu where Trade Ministers, and APEC Leaders, will have an opportunity for a high level political stock take of the negotiations. TPP provides yet another outstanding long-term trading opportunity for New Zealand. We look forward to conclusion of a high-quality, forward-looking Trans Pacific Partnership agreement that will generate jobs across the region, make it easier for firms to get ahead, and provide a possible pathway to achieving an eventual Free Trade Area of the Asia Pacific. We are encouraged by these developments in Washington and look forward to continuing to work closely with the United States."

With Passage of Trade Agreements, More Jobs and Growth Ahead.

U.S. Chamber President and CEO Tom Donohue said "Congress' approval of free trade agreements with South Korea, Colombia, and Panama could not have come at a more important time for the ailing U.S. economy and millions of unemployed Americans, according to the U.S. Chamber.

Collectively, the deals will boost U.S. exports to the three countries and create tens of thousands of new U.S. jobs by immediately eliminating most tariffs on most U.S. goods and services. The agreement with South Korea, which is widely hailed as the most consequential trade pact in 15 years, is estimated to create as many as 280,000 American jobs and increase exports by more than \$12 billion, according to the U.S. International Trade Commission.

"Passing these trade agreements represents a victory for American workers, American competitiveness, and American leadership. It means we will immediately stop losing jobs to our competitors who have cut their own deals and start creating hundreds of thousands of new jobs for Americans."

The **Motion Picture Association of America, Inc. (MPAA)** praised Congress for approving legislation implementing Free Trade Agreements with South Korea, Colombia and Panama, which include significant new safeguards against the theft of creative content. The following is a statement by Michael O'Leary, Senior Executive Vice President, Global Policy and External Affairs of the MPAA:

"The MPAA thanks Congress for approving these trade agreements, which represent a major step forward in breaking down market access barriers and curtailing the content theft that hinders our industry's growth abroad. The American film community is one of the few economic sectors in the United States that earns a positive balance of trade in virtually every country where it does business. Approval of these trade agreements will be another step forward in strengthening the livelihoods of the 2.2 million American men and women whose jobs depend on the film and television industry."

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TPP Negotiators Conclude Strong Ninth Round of Negotiations

From USTR

Today, the United States and its Trans-Pacific Partnership (TPP) partners concluded a ninth round of negotiations in Lima, Peru. During this round, negotiators built upon progress made in previous rounds and pressed forward toward the goal of reaching the broad outlines of an ambitious, jobs-focused agreement by the Asia-Pacific Economic Cooperation Leaders' meeting in Honolulu, HI next month. At APEC, President Obama and his counterparts from the other eight TPP countries will take stock of progress to date and discuss next steps.

TPP negotiators from the United States, Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam made further considerable progress on the legal texts of the agreement, as well as on the cross-cutting issues of small- and medium-sized enterprises, regulatory coherence, competitiveness, and development. With further domestic consultation on outstanding issues, the nine countries will move toward closure of a number of chapters. On more complex and sensitive chapters countries need more time to find convergence.

Before this round, the United States also put forward its new proposed text on state-owned enterprises, on which the teams had constructive initial discussions. This text was prepared in close consultation with U.S. stakeholders and Congress. The text is intended to help level the playing field for U.S. exporters and workers by addressing distortions to trade and competition that result from unfair advantages governments provide to these enterprises. The United States also tabled new text on labor, and the teams had a productive exchange on this issue as well.

The TPP member countries continued to make steady progress on the packages they are negotiating for access to each other's markets. In addition to meeting collectively, the United States and its partners met bilaterally to advance discussions of these elements of the negotiations. Countries plan to prepare revised offers based on these discussions and requests made for improvements in specific areas, continuing the process of building up an ambitious market access outcome.

Nearly 200 stakeholders were on-site during the negotiations and many made presentations to the nine negotiating teams during a day-long stakeholder forum. Stakeholders also participated in an event on creating opportunities for small- and medium-sized enterprises to develop business in TPP countries. In addition, stakeholders met with individual negotiating teams to provide their views on specific issues.

The U.S. and other negotiating teams will return to their respective capitals and update their Ministers on the specific outcomes of their work over the nine negotiating rounds, in preparation for assessment by the nine Leaders at the APEC meeting.

Trade Enhancing Access to Medicines

Today at Round 8 of the Trans-Pacific Partnership negotiations in Chicago, IL, the Office of the U.S. Trade Representative issued a [white paper](#) outlining a new USTR strategic initiative entitled "Trade Enhancing Access to Medicines (TEAM)." TEAM is designed to deploy the tools of trade policy to promote trade and reduce obstacles to access to both innovative and generic medicines, while supporting the innovation that is vital to developing new medicines and achieving other medical breakthroughs.

The [white paper](#) describes how, under the TEAM approach, the United States proposes to work with partners Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam to achieve the following goals in a TPP agreement:

- Expedite access to innovative and generic medicines through a "TPP access window"
- Enhance legal certainty for manufacturers of generic medicines
- Eliminate tariffs on medicines
- Reduce customs obstacles to medicines
- Curb trade in counterfeit medicines
- Reduce internal barriers to distribution of medicines
- Promote transparency and procedural fairness
- Minimize unnecessary regulatory barriers
- Reaffirm TPP Parties' commitment to the Doha Declaration on TRIPS and Public Health

"The truth is, trade policy by itself can't address all the challenges of access to medicines, but we believe trade policy can be a meaningful component of the Obama Administration's broad effort to promote that access," said U.S. Trade Representative Ron Kirk. "These Trans-Pacific Partnership proposals will help to drive access to innovative and generic medicines, through tariff cuts, intellectual property provisions, and a host of other measures that will help to boost the availability of life-saving innovative and generic medicines to people throughout the Asia-Pacific region."

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SCHENKER

Reps. Brady and Larsen Applaud Passage of APEC Business Travel Card Legislation - Levels Playing Field for American Business Leaders Traveling Overseas

Washington, D.C. - The House of Representatives today passed H.R. 2042, The Asia-Pacific Economic Cooperation Business Travel Cards Act of 2011. This bill will help level the playing field for American business men and women traveling overseas and will facilitate commerce with this rapidly growing economic region. The APEC Business Travel Card (ABTC) will help promote fast and efficient travel for security-screened business people and government officials within the APEC region.

Congressman Rick Larsen, Co-Chair of the APEC Caucus stated "After nearly three years of work, the House passed the APEC Business Travel Card Program today. The U.S. is one step closer to finally joining 18 other APEC economies that already have this full background check, expedited travel card for business people traveling between the Asia-Pacific Economic Cooperation economies. The U.S. will be one of the last to establish the travel card, but will be the largest economy.

"This travel card will equip our business leaders with the tools and resources they need to compete in the global marketplace," said Rep. Larsen. "The APEC Business Travel Card will level the playing field for American business people traveling overseas and provide them with the same expedited travel benefits foreign travel card holders enjoy when they travel to the U.S.," said Rep. Larsen.

Congressman Kevin Brady, Chairman of the Ways & Means Trade Subcommittee concluded "Today's bipartisan passage of the APEC Business Travel Card indicates an increased interest in regaining America's competitiveness in the Asian Pacific Economic region. This bill will increase trade and investment within the region by opening markets in the Asia-Pacific region and connecting them to American exporters. We greatly appreciate the support of Peter King, Chairman of the Homeland Security Committee, on this legislation."

Joint U.S. – NZ mission provides fresh water to Tokelau

U.S. Ambassador David Huebner said today the U.S. Government was working jointly with the Government of New Zealand to provide emergency fresh water supplies to Tokelau, which is in danger of running out of water in less than a week. [[read more](#)]

NZ scientists win international flu contract

Health Minister Tony Ryall and the Minister for Science and Innovation Dr Wayne Mapp, have congratulated ESR on their successful international bid for a 5-year, multi-million dollar flu research and surveillance project.

The project is paid for by the United States Centre for Disease Control and Prevention (CDC), and is known as SHIVERS - the Southern Hemisphere Influenza Vaccine Effectiveness Research and Surveillance.

Health Minister Tony Ryall says, "The result will be greater knowledge about how the flu spreads, improved surveillance, and vaccination targets. And we will be helping the northern hemisphere plan for their flu season."

Dr Wayne Mapp says, "This successful bid is international recognition of the quality of the New Zealand scientists working in this area."

The project is led by ESR with collaboration from the Universities of Auckland and Otago, the Auckland District Health Board and the World Health Organization's Collaborating Centre at St Jude Children's Hospital in the United States.

Focused on maritime technologies? Do you believe that Blue Tech & Blue Jobs will be important in the future?

If so, you should participate in the 3rd annual Maritime Business & Technology Summit scheduled for Nov. 29-30 in San Diego, CA. The Maritime Alliance (www.themaritimealliance.org) is the organizer of the San Diego maritime technology community - the largest in the U.S. and probably in the world - and reaches out to maritime technology companies and clusters around the world to promote collaboration and innovation. For information, go on-line, or contact the Executive Director Bill Riedy at briedy@themaritimealliance.org or the President Michael Jones at mbjones@themaritimealliance.org

APCAC 2012 U.S.-Asia Business Summit: Tokyo, March 1-2

The American Chamber of Commerce in Japan is excited to host the APCAC 2012 U.S.-Asia Business Summit in Tokyo, March 1 and 2. APCAC covers the most dynamic region for American businesses and the 2012 Summit will provide an excellent opportunity to find out more about the opportunities and challenges our member companies face in Asia.

This two-day Summit will bring senior business executives and high-level U.S. Embassy officials to Tokyo from countries across the Asia Pacific Region. Together with senior Japanese business and government officials, we will discuss how to make progress on major issues affecting business and the trade and investment architecture in the Asia-Pacific region. High-level keynote speakers and distinguished panels will discuss issues vital to the success of business in the region.

The Summit will also be a great chance to network with other Amcham members. Make sure you mark your calendar now and plan to join us in March in Tokyo.



Pernod Ricard New Zealand proud supporter of AmCham.

ISSUES & SUCCESS STORIES WITH USA

Issues

- [Forbes ranks New Zealand #2 for business](#)
- [New US bill targets websites enabling copyright infringement](#)
- [US business groups praise NZ, US and six other countries for signing ACTA](#)
- [US tax law bites local banks](#)
- [IP in the US: Bigger than Texas](#)
- [NZ tech export sector revenue passes \\$7 billion](#)
- [Kiwis and Aussies united for good of SKA](#)

Success stories with the USA

- [Kiwi music helps hook US clients](#)
- [New Software Enables Access to US TV](#)
- [Wellington Drive taps Greg Allen as new CEO](#)

- [Kiwi philanthropist is awarded CPA Australia's highest honor](#)
- [US flying school looking at NZ](#)
- [Blackstone bites into Burger King in first NZ buy](#)
- [Harvard reports good return from NZ forest investments](#)
- [Jucy keen to hit road in US](#)
- [Patent removal regretted, but search firm pushes on](#)
- [RimPro Tech secures USA deal](#)
- [Armstrong Expands Its Digital Control Offering \(Emech\)](#)
- [Wellington Startup Weekend secures US gaming entrepreneur](#)
- [Cleantech venture capitalist heading to NZ](#)
- [US sales surge for Michael Hill](#)
- [Endace forecasts 37 percent rise in revenue](#)

TRADE, BUSINESS and INVESTMENT OPPORTUNITIES

Commercial News USA

The November/December issue of Commercial News USA, the official export promotion magazine of the U.S. Department of Commerce, is currently online at <http://cnusa.thinkglobal.us/issue/44444>

Trade Events in the USA <http://www.buyusa.gov/newzealand/en/usevents.html>. See also www.exporyellowpages.com

From NZTE - www.nzte.govt.nz

Reaching affluent consumers in the United States

Video insight - Luxury consumer expert Pam Danzinger tells New Zealand exporters how to reach affluent consumers in the United States. [Watch video](#)

From NZBio - www.nzbio.org.nz

Interested in being in San Francisco in January to co-incide with the **JP Morgan Healthcare Conference**? NZTE are currently assessing whether to run a satellite event around this invitation-only conference, and this will really depend on the numbers of companies attending. So if this is an event of interest to you, please register your interest now, and encourage fellow healthcare focused companies to do the same. Email your details to [Kirsty Jehle](mailto:Kirsty.Jehle), or phone 04 916 1247.

NZ entrance gates, doors & decorative hardware for USA

from NZ Trade Centre

This visitor is interested in importing New Zealand entrance doors and related hardware into the United States of America. Their business is manufacturing and servicing custom wood doors and gates, however they cannot keep up with the demand and are looking for someone who can produce good quality pre-hung gates of a similar caliber of their own. Email this lead today alister@newzealandtradecentre.com



Mike Hearn with Owen G Glenn at our recent function, An Audience with...

MEMBER NEWS

Headline News

- [Learning Media focuses on future growth in a year of change](#)
- [Mako Networks Receives Product Design Award](#)
- [Orion Health inks deal with Microsoft](#)



Supporting AmCham

MEMBER NEWS (Continued from page 4)

Air New Zealand brings Dreamliner to New Zealand

New Zealanders will be among the first people in the Southern Hemisphere to see the new Boeing 787 aircraft when Air New Zealand brings it to Auckland for the first time from 12-14 November.

Air New Zealand will host the Boeing 787-8 test aircraft at its engineering base at Auckland International Airport for two days. Exact timings of the 787's arrival on Saturday 12 November non-stop from Seattle will be confirmed in the coming weeks, but will be timed to give Aucklanders the best chance of seeing the aircraft as it flies into Auckland.

"We're looking forward to seeing the 787 in our skies for the first time. This is an aircraft which has the exciting environmental advantage of using up to 20 percent less fuel while also being able to carry up to 50 percent more cargo than other jet aircraft of comparative size," says Air New Zealand Chief Executive Officer Rob Fyfe.

Air New Zealand is the launch customer for the larger 787-9 variant, which will have a greater range capability and seating capacity than the 787-8.

"Once the 787-9 goes into service sometime in 2014 it will change how New Zealanders fly and how we bring the world to New Zealand. Its composite structure enables better cabin humidity and lower relative cabin altitude for a more comfortable flying experience," Mr Fyfe said.

The aircraft on display in Auckland will be one of the first test aircraft produced by Boeing Commercial Airplanes and as such is fitted with test equipment.

Scott Fancher, vice president and general manager for the 787 program at Boeing Commercial Airplanes said, "We are thrilled to be able to bring this test plane down here for Air New Zealand. While the interior is filled with test equipment and therefore far from showroom standard, the exterior is not only aerodynamically efficient but extremely beautiful and people will be able to see just how different it looks."

Branded the "Dreamliner" by Boeing, the structure of the 787 aircraft makes significant use of lightweight high-tech composite materials to deliver operating efficiencies and customer comfort, including higher humidity levels and a more comfortable, lower cabin altitude.

New Members

Aroha New Zealand Tours Ltd/Luxury New Zealand Tours Ltd, Taupo - Veronika Wasel, Director -

Luxury personalised travel & private guided custom tours. Our track record speaks for itself—from High Court Judges to Foreign Ambassadors, entrepreneurs, travel enthusiasts or honeymoon couples; Aroha Luxury New Zealand Tours has an outstanding reputation the world over. *No problems...no matter how big or small, your personal preferences are easily met. www.arohatours.co.nz

Results.com, Auckland – Brian Dewill, Senior Partnerships Manager - Leading providers of business development services for larger-sized, privately-owned companies. The Results Group transforms companies from good to great, and we are passionate about helping New Zealand businesses thrive. Our clients' success is literally our success because we guarantee they will achieve significant, measurable results. www.results.com

Western Union Business Solutions, Auckland - Darren Cook, Partnership & Affiliate Manager - Asia Pacific. A division of a Fortune 500, NYSE listed company Western Union Business Solutions is a global leader in foreign exchange and trusted payments provider to clients that operate in international markets. Western Union Business Solutions' market position was further strengthened in July 2011, after Western Union signed an agreement with Travelex Holdings Limited to acquire the Travelex Global Business Payments division (TGBP). The combination of Western Union Business Solutions and TGBP will provide immediate presence in 16 countries with the ability to leverage TGBP's business-to-business expertise, distribution, and product and functionality platforms with Western Union's brand, existing Business Solutions operations, global infrastructure and relationships, and financial strength. <http://business.westernunion.co.nz/>

Röhlig New Zealand Ltd, Auckland – Ron Parry, Business Development Manager - Röhlig is now one of the leading privately owned seafreight- and airfreight forwarding companies in the world. The owner-run business employs more than 2,000 people in 140 trading locations in 31 countries including offices in Auckland, Wellington & Christchurch. www.rohlig.com

Stewart Germann Law Office, Auckland - Stewart Germann, Partner - Legal firm that covers a wide range of legal work and specialise in franchising, licensing and the sale and purchase of businesses. Winner of the Franchise Law Firm of the Year for Australasia in the international 2011 DealMakers Law Awards. www.germann.co.nz

People on the move

The Langham Hotel Auckland has appointed **Darren Thurlow** as Hotel Manager.

Chad Berbert is the new **US Embassy DCM/Chargé** for Samoa

GE Capital's Rob Zubielevitch has been appointed as Chair of the **Financial Services Federation**.

Rohan Garnett is the new Regional General Manager New Zealand and Pacific Islands for **Qantas**.

Simpson Grierson has appointed **Tracey Bond Corbett** as Human Resources Director.

(Continued on page 6)

FRAGOMEN

Warwick Grey has left **Renaissance** to return to **Microsoft New Zealand** as overall sales leader and performance manager for the distribution, covering all products within Microsoft's business, including Windows, Windows Phone, Office, Xbox and hardware.

Auckland Tourism, Events and Economic Development Ltd has appointed **Smina Vanlerberghe** as Manager Business Capability and Local Offices, and **Martin Fairweather** as General Manager Planning & Performance.

Michael Vukcevic is leaving **Pharmaceutical Solutions** to take up the role of CEO of **Baldwins Law**.

Minter Ellison Rudd Watts has appointed M&A and capital markets specialist **Rodney Craig** as a partner in the firm's Wellington office. The Wellington office has also recently welcomed three new senior associates – **Andy Glenie**, **Rachael Schmidt-McCleave** and **Catherine Levermore**

Roger Smith has left the **NZ Embassy in Washington** and returned to NZ. **Gary Collins** has replaced him Customs Counsellor.

Christy Gilmour is moving back to the States to take on a new role as the Executive Director of the **Kappa Delta Foundation in Memphis, TN**.

Polycom has appointed **Deane Jessep** as **NZ Regional Manager**.

Tony Mildon is **Maersk Line New Zealand's** new **Director of Sales**.

Greg Boland has been appointed Director, Equities at **OMFinancial Limited**

American Home Assurance Company has transferred the business conducted by its NZ Branch to **Chartis Insurance New Zealand Ltd**.

Thomas M Carden has joined **NZ US Tax Specialists** as a director in Auckland.

FOR YOUR DIARY

10th November – Results.com seminar “Business Strategy in the Age of Change” in Auckland

17th November – Year End Celebration & New Member Presentations reception, sponsored by the Pullman Hotel Auckland.

29th November – Serious Golfers Tournament, Manukau Golf Club, Auckland

US NZ CONNECTIONS IN NEW ZEALAND

Kiwi Expat Association – www.keanewzealand.com

Wanganui New Zealand American Association donnarush@clear.net.nz

American Club – Auckland <http://www.americanclub.org.nz/>

American Women's Network – Wellington www.awn.co.nz

American Women's Club – Auckland www.awcauckland.com

American Club of Christchurch – www.american-club-chch.org

NZ/American Association, Wellington www.nzaa.org.nz

Kiwi Club of New York Inc - www.kiwiclubny.org

American Club Thanksgiving Celebration - Sun., Nov. 20, 12 - 3:30 p.m

Venue: Allely House, 393 Sh 16, Kumeu

Allely House is our favourite venue for this feast, with roasted turkeys, stuffing like grandma made it, other roasts, salads, breads, cornbread, baked vegetables, and pumpkin pie with ice cream and other delicious desserts, the way mom baked them. You will need to save space for dessert!

Registration and payment must be received by 5:00 p.m. Nov. 17th for catering.

Register HERE: [Thanksgiving Celebration Registration](#). When registering, please add the names of your family members and/or guests and the ages of children (next to their names). Your registration is 'Free'. Following registration, an invoice will be issued with instructions for payment by PayPal or online banking. - Adults: Members: \$55. Non-members: \$65. Child: age 4 - 8: \$12., age 9 - 15: \$22.

Western Union Business Solutions

The American Chamber of Commerce New Zealand is pleased to offer a solution that helps you make international payments.

Western Union Business Solutions' dedicated specialists will work with you to turn your everyday foreign exchange needs into a competitive advantage that helps to protect your bottom line.

Their foreign exchange solutions will help you minimise the impact of foreign currency fluctuations, stabilise costs and improve long-term business planning. We'll take your current business practices, currency exchange needs, risk tolerance and market trends into account to develop a solution that suits your unique requirements.

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Effective risk management solutions for dealing with foreign currencies: Lock in your desired exchange rate with forward contracts and overnight orders. Improve forecasting and budgeting with known exchange rates.

Dedicated support when you need it: Get on the phone with a local market specialist to ensure that you're maximising your foreign exchange potential.

Request a complimentary payment solution assessment!

Simply [fill out the form](#) and one of our dedicated specialists will follow up with you shortly.

Internship Wanted

I am an American citizen currently living in Auckland. I am a recent high school graduate and will attend the U.S Military Academy at West Point with the class of 2016. I will also study at the University of Auckland beginning in January for two semesters as an international student. I graduated high school a year early, which unfortunately caused my age to disqualify me from attending the academy with the class of 2015. It did, however, afford me a year to travel, attend school and gain experience in my areas of interest. I hope to someday enter into a career involving epidemiology, however I am also very interested in the field of international relations and I plan to pursue it as my undergraduate major.

I am therefore seeking a volunteer/ internship position with an organization or company based in Auckland whose work involves international trade. I hesitate to label the type of position I seek an internship as I am not yet a college student, however I believe myself to be very hard working and capable. It can also be noted that while in high school I earned college credits equivalent to 1 1/2 semesters of courses at my local university. I would so appreciate the opportunity to gain the invaluable experience that working with an international company would provide. Contact: Anna Gulbis, annagulbis@yahoo.com

Internships arranged

Intern NZ arranges unpaid internships to students and graduates in ALL disciplines, providing the bridge between study and gainful employment.

The core business of the organisation:

- Providing students and graduates with unpaid internships in their chosen industry.
- Working with educational partners to deliver customised programs.
- Providing support services centred around the internship experience.

The internships can be on a full-time or part-time basis to suit the candidate's needs. We offer office, laboratory and outdoor based internships. We work with organisations throughout New Zealand and Australia and in all industry areas. Our team have developed strong working relationships with our internship partners over a number of years.

www.internNZ.co.nz Contact: Bob Alagh, Intern NZ, + 64 (0)21 182 7119 bob@internNZ.co.nz

Textiles Symposium 2011 – Manufacturing a Future 10th & 11th November

Massey University College of Creative Arts, 10B12 Spatial Design, Museum Building, 17 Buckle Street, Wellington

Thursday 10 November

Manufacturing a Future – Davey Hughes, Owner/CEO Swazi Apparel, author and raconteur

Becoming More Competitive

Case Study – Jaedon Enterprises

Case Study – Cambridge Clothing Company

Future Government Procurement Opportunities – David Lilburne, CEO Yakka

Future Innovations – Stewart Collie, Textile Science & Technology, AgResearch

Future Innovations – Peter Heslop, Textile & Design Lab Manager, AUT

Funding for the Future - Ministry of Science and Innovation

When the Going Gets Tough, the Tough Get Going - John Heng, expert in manufacturing, design and export, and former Group CEO of companies with revenues from \$5 to \$50 million including CEO of Click Clack Limited

Industry Dinner – A Turkish Delight at Café Istanbul

Friday 11 November

Textiles NZ AGM – The Future of Textiles NZ

Fahrenheit 212 Getting Hotter – Ian Cuthbertson, Wool Research (WRONZ)

Designing Our Future – Sandy Heffernan, Director of Textile Design, & Deb Cumming, Director of Fashion Design College of Creative Arts, Massey University

Viewing the Future – A tour of Massey's Design School

Massey's Fashion Show in the Great Hall – The latest designs and innovation

<http://www.textilesnz.org.nz/news-events/textiles-symposium-2011>



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TRAVEL

BUSINESS TRAVEL

News, views and information for Amcham business travellers from **Grant Bevin**, Managing Director Business World Travel.

Business World Travel is a member of GlobalStar Travel Management

Virgin Australia is changing Terminals at **LAX** – from Tom Bradley International, to T5, home of its alliance partner Delta.

Air France becomes the latest airline operating their giant **Airbus A380** into **Los Angeles** on a regular scheduled basis from Paris. Air France joins Singapore, Korean and Qantas as the only A380 operators to LAX. We receive a lot of positive feedback from clients regarding the comfort, quietness and space on board the A380s.

Air New Zealand, Qantas and United all offer very good Early Bird savings on fares to North America – purchase over the next couple of weeks and fly in 2012.

If **Europe** and the **US** are both on your travel horizon in **2012**, then look to some of the excellent airline savings available in this year's **Early Bird seat sale**, out now. Airline combinations such as **Air New Zealand and Lufthansa** or **Qantas and British Airways** all allow stopovers in Los Angeles, San Francisco or New York, to mention several of the stopover possibilities. Ask your usual Business World Travel consultant for the prices. Combining Europe and the US increases savings on your travel budget. Many of the seat sale offers have to be purchased by 15 November 11, for a range of 2012 travel dates.

Ask our BWT Travel Consultants about free membership of **Air New Zealand's Airpoints** reward programme. This is a sort-life offer so be quick to make the saving.

If you have a couple of days off after business we like sending travellers to **Santa Barbara**, just up the road from Los Angeles for a bit of R&R. **The 26th Annual Folk & Tribal Arts Marketplace** comes alive with the flair of international dance, music, food and vendors from more than 50 countries at the **Santa Barbara Museum of Natural**

United / Continental 2015 will outfit its entire mainline fleet with wireless Internet access, the company announced. Most U.S. carriers have focused inflight Wi-Fi efforts on domestic routes, due to air-to-ground connectivity limitations, but United and Continental claimed an agreement to use a Panasonic-powered satellite system "will provide connectivity on flights worldwide." Continental previously announced plans to launch next year Wi-Fi onboard 200 domestic Boeing 737 and 757 aircraft in conjunction with JetBlue subsidiary LiveTV.

US Service Security Update

US sites to see for updated information visit www.dhs.gov and www.safetravel.govt.nz or <http://www.tsa.gov/travelers/index.shtm>

Check out our website at www.bwt.co.nz

Reviewing your Corporate Travel? Call our Team:

Jane Higgie Business World Travel Wellington 04-470 6044 jhiggie@bwt.co.nz

Grant Bevin Business World Travel Auckland 09-529 3700 gbevin@bwt.co.nz



BUSINESS INFORMATION

American Politics and International Tax

By Thomas M Carden and Gina M Wallace

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One of the hottest topics in American politics at the moment is oddly one of the least understood. The current administration is railing against companies who have money overseas that they have not brought into the United States (US). According to a recent article in the Chicago Tribune "Some large multinationals defer paying taxes on foreign profits by keeping them abroad and not bringing them home, which is known as repatriating them. An estimated \$1.2 trillion to \$1.5 trillion in U.S. corporate profits is presently parked abroad avoiding the corporate income tax". As the administration is currently running record deficits they are looking at the non-remitted funds as a source of major revenue. As a counter point the Republican opposition is proposing a tax amnesty on remitting the funds if they are remitted and invested back into the United States. The Republicans believe that if the money is brought back into the US under the amnesty under the condition that the money has to be reinvested into the US economy that millions of jobs will be created. What both parties have generally failed to do though is educate the public on why these funds are not being brought back into the US by these companies. The lack of public understanding is largely due to the complexity of the US Tax code where it addresses international taxation.

The US is unusual in that it taxes income on its citizens and companies regardless of where the income is earned or where the individual or company is located around the globe. This is somewhat unusual as most countries do not tax earnings that corporations earn overseas. In order to keep US companies competitive overseas, two tax steps are in place to alleviate the taxation of foreign income for corporations - the foreign tax credit and the remittance basis.

The foreign tax credit's goal is to remove the possibility of double taxation on overseas income. With certain restrictions, when a company is taxed in a foreign country on income that is earned there the US will grant a credit against that income toward the tax liability on that credit. So if a company earns say 100k in another country and they pay 15k of tax on that income the US will grant a tax credit of 15k against the US tax liability on that income. So if the US liability on the income is 35k the amount of tax that will be owed to the US is reduced by the 15k to an amount owed of 20k.

It is however the second step that is proving to be very controversial. The second step in alleviating the international tax burden for companies is the remittance basis. Under certain conditions companies that earn money overseas are not taxed on that money until the money is remitted into the US. Using our earlier example of the foreign tax credit, the company now owes 20k to the US, however if the company does not (under Certain Conditions) send the funds that have been earned back into the US they will not have to pay the tax due to the IRS. This remittance basis essentially allows companies to defer taxation on an unlimited amount of overseas income. The original concept was that companies would suffer a competitive disadvantage if they were not able to effectively reinvest their overseas income in the overseas operations because they would effectively have a higher rate of tax than the local companies would be subject to. However using some creative accounting some companies are stretching the current law. A perfect example of this may be Microsoft.

Over the last several years the company has built up a large amount of cash overseas, however if they wanted to pay those funds out as a dividend to their shareholders they would suffer the US tax on those funds. So instead of remitting those funds to the US, they are leaving those funds overseas while simultaneously borrowing funds in the US to pay out their US dividend. In short they are investing their overseas funds at say a 2 percent return while paying for a 3 percent loan in the US. In their calculations this is more practical than remitting the funds and paying US tax on those funds.

It should be noted that this is an informational article and is not meant to provide readers with practical advice. The issues mentioned are very complex and readers should not choose to implement similar structures without consulting with a qualified US international tax specialist.

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